HARDWARE

PRODUCT MOVEMENT AUDIT

Locksets

(Continued from page 27)

also the biggest mover in our whole hardware department. The second greatest mover in hardware was the Black & Decker 7308 7¼-in. Saw, which sold for an average of $36.72 and posted total orders of $18,099.26.

We'll be offering a greater range of sanders and routers on promotion. Now that people have their basic tools like drills, they'll be going after the secondary ones like sanders and routers.

Power tool accessories showed marked improvement in the audit. Leading the race was the Black & Decker 73-300 3-in-1 blade with total movement of $7,261.31. A distant second was the Black & Decker 71-013 13-piece drill set, which posted a $3,097.20 total movement. This category should remain stable.

Rising Trend

The audit also revealed a trend away from the low-end imported hand tools in favor of higher-priced better-quality ones. Even with the imports, the price is rising—you can't get the 88¢ Oxfords anymore.

Accordingly, Stanley carried the day. The top seller, with total movement of $10,068.30, was the 33-425 tape rule, which sold 825 units.

The only non-Stanley hand tool in the top 15 was the Petersen 5WR Vise Grip, which had total movement of $2,697.35 and ranked No. 14.

Improved promotional techniques aided the categories of electrical goods and plumbing. Electrical goods sales will grow 15%-20%. I think that much of the action in hardware has been in labeled electrical and plumbing products and I think the chains have really learned how to promote them. Years ago, you used to just put them on a gondola and leave them there. But now, the chains have made these into a highly promotable business.

For example, the Carol 03302 100-ft. extension cord came in at No. 5 with $2333.41 in orders. Also highly promotable was the Leviton 801-6101 Night Line.

The highest unit mover was the Leviton 800-274 three-way adapter with orders for 3,056 units. Retailing at 75¢ apiece, it registered total movement of

(Continued on page 29)

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	PLUMBING			
1	Melard 1501 Basket Strainer	1,914	1.55	2,968.57
2	Mel 1603 Ballcock Brass	241	10.95	2,638.35
3	Mel 1619 Flapper Ball	1,689	1.41	2,375.58
4	Mel 18016 6' Fem X Fem	534	3.58	1,912.52
5	Mel 68321 Towel Bar 24"	195	9.29	1,812.43
6	Mel 360 Executive Head	378	4.50	1,699.11
7	Mel 14206 6" Plunger	1,098	1.45	1,598.10
8	Mel 3525 Shower Massage	84	17.21	1,445.77
9	Mel 19012 Sink Strainer	230	6.25	1,437.39
10	Mel 1601 Ballcock Plastic	314	4.48	1,406.88
11	Mel 1600 Toilet Tank Kit	209	6.50	1,357.66
12	Mel 1609 Tank Lever	729	1.74	1,268.46
13	Mel 2705 Towel Bar 24"	252	4.71	1,187.55
14	Mel 1422 Super Plunger	360	3.26	1,174.50
15	Mel 1411 Tub Stopper	1,278	0.91	1,167.45
	ELECTRICAL			
1	ELEC MOC 4C Multioutlet	220	15.03	3,308.03
2	EPAK ELVT-300WG Pagoda Kit	24	132.67	3,184.20
3	Leviton 801-6101 Night Light	1,520	1.76	2,666.84
4	Leviton 810-6677 Dimmer	635	4.16	2,642.55
5	Carol 03302 100' Org Ext	157	14.86	2,333.41
6	Leviton 800-274 3-way Adapter	3,056	0.75	2,292.00
7	EPAK MOC-6C Multioutlet	119	16.81	1,999.85
8	3M 195A 34x250 Tape	1,836	1.06	1,943.41
9	Carol 4170 81.2" C1 Lamp	360	5.25	1,889.64
10	GENC 12-2-50 Romex	163	11.01	1,793.90
11	Leviton 800-697 Plug Outlet	659	2.55	1,681.77
12	Leviton 800-7090PG Knob Socket	825	2.03	1,674.75
13	Leviton 800-6098PG Butt Socket	970	1.67	1,617.48
14	Carol 00209 BRN EXT	1,500	1.06	1,587.75
15	Leviton 803-6700-30 30 Amp Fuse	1,490	1.06	1,579.40

(Continued on page 29)

Although domestic locksets still get prominent display, as at Caldor in Baltimore, lower-priced imported ones are expected to shake up the security area in 1984. *(DSN photo)*

Jamesway to Bow In Former King's

SECAUCUS, N.J.—Jamesway will open a new store in Dunsmore, Pa., at the site of a former King's outlet, in early March.

The new store will be the Scranton-Dunmore area's first discount outlet since the King's was shuttered several years ago.

The 61,000-sq.-ft. store will be Jamesway's 28th in Pennsylvania and its 79th overall.

Now, Champion's best performer sparks nearly every car on the road.

More applications.

Since the introduction of Copper Plus, we've been continually improving upon its success. Copper Plus now covers just about every import and domestic car on the road today. From Chrysler to Renault, from Buick to Volkswagen – and virtually everything in between.

More consolidation.

That improved coverage represents 98 percent of the market. But it's only part of Champion's improvement story. Because true improvement has to include line consolidation, too. In 1980, for example, it took 57 Champion spark plug types to achieve 93 percent coverage. Today, with Copper Plus, you get 98 percent coverage with only 39 types – a 31 percent reduction. Plus broader coverage!

Even so-called bargain plugs may cost more in the long run, because you'll have to carry more SKUs.

Compare Champion's coverage with other spark plug lines. Compare our consolidation story. It all adds up to lower line costs for you.

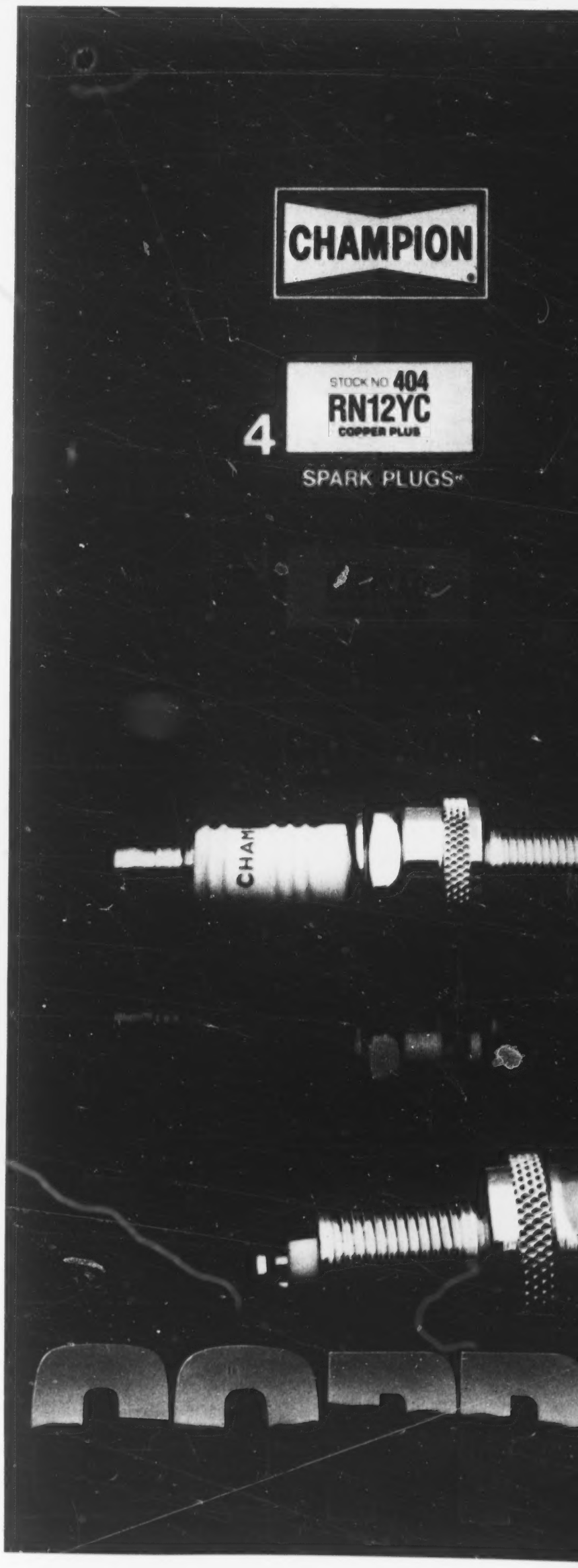
More spark for your sales.

Copper Plus is the best performing spark plug Champion has ever developed. We back our faith in Copper Plus with more sales and service support than any other spark plug manufacturer offers, plus an exclusive 60-day Money Back Performance Guarantee.

How do you switch to Copper Plus? It's automatic. In fact, Copper Plus is in your stocks now. Look for it in the familiar red and black package.

CHAMPION

NOTHING SPARKS LIKE A CHAMPION

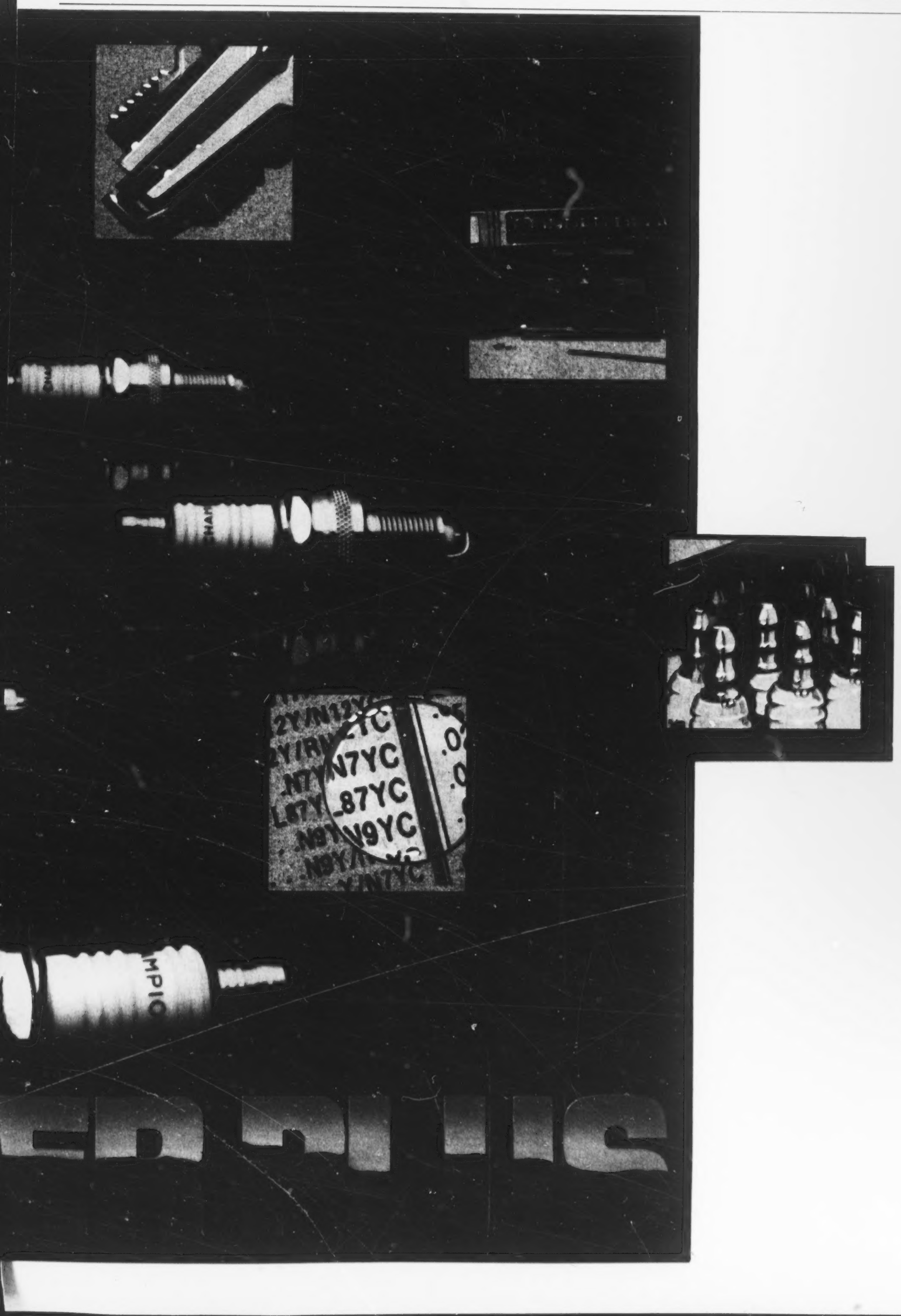


HARDWARE

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	SECURITY			
1	Harlock T-700 US3 Entry Module	1,570	9.84	15,451.94
2	Harlock UR 700-M-DL US3 Entry	442	13.15	5,810.53
3	Harlock T-700-M-DL US5 Entry	453	10.43	4,724.79
4	Master 1500D Combination Padlock	1,236	3.29	4,066.44
5	Harlock UJ 700 M-DL US5 Entry	245	13.76	3,371.69
6	Harlock UM700 US5 Entry Module	207	15.37	3,182.00
7	Harlock T-100 US3 Passage PB	528	5.19	2,742.43
8	Harlock T-200 US3 Bedroom PB	461	5.94	2,736.50
9	Harlock DC-DB 840 US3 Double	227	11.62	2,637.74
10	Master 500D Padlock 1¾"	1,116	2.34	2,609.21
11	Master 22D Padlock 1½"	1,392	1.82	2,533.24
12	Harlock DC-DB 820 US3 Single	280	8.97	2,512.72
	SPECIALTY PAINTS AND WAXES			
1	Formby 0035 Paint Remover 32	312	6.84	2,135.95
2	Minwax Poly Gloss 1 qt	318	6.23	1,981.14
3	Minwax Poly Satin 1 qt	312	6.23	1,943.76
4	Formby 0011 Furniture Refinish 64 oz	126	15.66	1,973.16
5	Formby 0010 Furniture Refinish 16 oz	366	4.90	1,793.40
6	DEFT Quart Defthane Gloss	252	6.93	1,746.36
7	Formby 0013 Furniture Refinish 32 oz	180	9.07	1,632.96
8	Bull White Shellac 3-lb quart	288	4.66	1,342.66
9	DEFT Quart Defthane Satin	180	6.93	1,247.40
10	DEFT Quart Wood Finish	186	6.16	1,145.76
11	Minwax 230 Early American Quart	210	5.03	1,055.46
12	Formby 0037 1-4 Paint Wash 16 oz	336	3.06	1,025.47
13	Minwax 2716 Dark Walnut Quart	204	5.03	1,025.30
14	Bull White Shellac 3-lb pint	318	3.00	952.73
15	Minwax 224 Special Walnut Quart	186	5.03	934.83

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	PAINT SUNDRIES			
1	My-Ro 40 Caulkstrip	528	3.48	1,837.44
2	Webster 110 Plastic Drop Cloth	1,698	0.90	1,526.50
3	Webster 111 Utility Cover	720	1.70	1,221.48
4	My-Ro 15 Seal a Crack	444	2.52	1,120.21
5	Bloch New Eng XL-200 Cheese cloth	948	0.90	852.25
6	Webster 105 Plastic Drop Cloth	1,836	0.41	745.42
7	Webster 115 Plastic Tarpaulin	246	2.97	731.24
8	Bloch New Eng XL-74 Tack Cloth	996	0.51	505.47
9	Bloch New Eng XL-23 Stain Cloth	528	0.65	344.52
10	My-Ro 666 Door Seal Caulk	96	1.73	165.65
11	My-Ro 315 Caulk Cord	18	1.50	27.14
12	My-Ro 30 Crack Seal Tub	6	2.44	14.62
	LIGHTING			
1	Delval 1836WB Benjamin Franklin	62	67.41	4,179.42
2	Wolf CF69 24" Wagon Wheel	58	67.07	3,889.77
3	Wolf CF115X 18" Wagon Wheel	57	52.50	2,992.50
4	Powers C54B Circline 2 Lite	89	32.67	2,907.63
5	Wolf CF112 15" Wagon Wheel	79	34.38	2,716.02
6	Delval 4328AB Something Old	23	109.60	2,520.92
7	Delval 1834WB George Washington	39	57.29	2,234.11
8	Delval 1013 Black Diplomat	119	17.89	2,128.61
9	Delval 7339AB Ruffl Ceil 3	56	33.67	1,885.30
10	Delval 1893WB Nathan Hale	80	23.54	1,883.16
11	Delval 8614WH Country Flowers	118	15.31	1,806.29
12	Powers ST120 Strip	198	8.96	1,773.09
13	Powers 9800PB Wall Fixture	179	9.79	1,751.96
14	Delval 5013AB Twin Spot	60	28.10	1,685.79
15	Delval 1725BLK Topper Torch	94	17.21	1,617.98

These figures for November 1983, supplied by Schreiber & Co., Lititz, Pa., cover 600 discount stores in 19 mid-Atlantic and East Coast states. Average retail prices reflect typical price points for discount chains.



PRODUCT MOVEMENT AUDIT

Locksets

(Continued from page 28)

$2,292.

In plumbing, Melard toilet tank kits and aerators carried the day. The top seller was the 1501 basket strainer with total movement of $2,968.57 and unit movement of 1,914.

The top-selling toilet tank accessory was the Melard 1603 ballcock brass, whose total movement amounted to $2,638.35.

In lighting, the top seller was the Delval Benjamin Franklin unit, retailing at an average of $67.41, which moved a total of $4,179.42. Grabbing the No. 2 spot was the Wolf CF69 24a-in. Wagon Wheel. It came in with a total movement of $3889.77. Powers' C54B Circline 2 Lite was fourth with total movement of $2,907.63.

The paint sundry category was divided evenly among drop cloths, tarpaulins and highly promotable caulking. The top seller was the My-Ro 40 caulkstrip with total movement of $1,837.44. The Webster 110 plastic drop cloth came in second with $1,526.50. The highest unit mover was the Webster 105 plastic drop cloth, which, retailing at 41¢ apiece, registered total volume of $745.42.

Two of the top five specialty paints and waxes were furniture refinishes. Coming in at No. 4 with $1,973.16 total movement was the Formby 0010 64-oz. can of furniture refinish. Its 16-oz. counterpart placed fifth with total movement of $1,793.40.

The top seller in the category was Formby's 0035 paint remover with 312 unit movement and $2,135.95 dollar movement.

Hardware will continue to sell steadily with 5%-10% growth projected. During November, the top seller was the promotable Bostik USM 203 glue gun with $1,465.20 movement. The same company's K110 pop rivetool came in second with $1,298.88. Rivet steel came in twice in the top 10: the USM S-42 rivet steel at total movement of $936 and the USM S-44 at No. 8 with $772.20.

K mart's Stevenson Honored by NRMA

NEW YORK—A. Robert Stevenson, vp, government and public affairs, K mart, was awarded the 1984 Silver Plaque by the National Retail Merchants Association. The organization gives this award each year to innovative retailers.

Stevenson joined the chain's legal department in 1965 and moved up to assistant secretary in 1972. Two years later, he was promoted to director of government and public relations. He assumed his current post in 1975. He holds law degrees from Detroit Law School and Wayne State University.

Stevenson served as chairman of the NRMA government and legal affairs committee.

Many Price Ads Drop Specifics

Many of discounters' pre-Christmas toy ads had one common thread—an emphasis on reduction of everyday prices without running actual selling prices. Chains offered anywhere from 10% to 50% off regular prices, playing up popular manufacturer names, rather than specific price points.

At Harts, the chain featured 15% off on all board games in a recent circular, highlighting selections by Milton Bradley and Parker Brothers. No price points appeared, although the bottom of the page read "Harts bring low prices home to you."

Richway simply listed all the specific toy categories and participating manufacturers underneath a full page dominated by a 20%-50% off notification. The chain specifically advertised no rainchecks and limited quantities, but made no reference to any price points.

Zayre led off a recent ad with 10%-20% off on selected Fisher-Price preschool toys, listing savings on six different items from a low-end nursery set or Tea Along Turtle at $3.95 each, to the higher-end house or garage, priced at $17.99. The chain jumped from a 23% savings in a Care Bears miniature ad, priced at $1.76 from $2.29, to a price-point savings of $1.53 on Care Bears fun books, priced at $3.46 from $4.99.

Sales Per Square Foot Keep Rising

	1971	1975	1978	1980	1981	1982	1983	12-year change	5-year change	'83 vs. '82
Dept. Size (sq. ft.)	3,050	2,800	2,646	2,660	2,660	2,650	2,500	−18.0%	−5.5%	−5.7%
Annual Turns	4.7	4.5	3.7	3.8	3.6	3.4	3.2	−31.9%	−13.5%	−5.9%
Volume Per Sq. Ft.	$78	$85	$121	$141	$147	$154	$183	+134.6%	+51.2%	+18.8%
Initial Markup	32%	34%	33%	36%	35%	33%	35%	+9.3%	+6.1%	+6.1%
Gross Margins	28%	29%	28%	29%	28%	26%	28%	NC	NC	+7.7%

NC—No Change *Source: DSN research*

While toy department size has gradually decreased over the past five years, from 1978's 2,646 sq. ft. to the present-day average of 2,500 sq. ft., sales per square foot increased over 50%, as higher-priced licensed products have become the dominant factor in the industry.

Higher prices in toys can also be attributed to the introduction of more expensive electronic games, which in turn allowed retail toy prices, on a whole, to be hiked. Over the past 12 years, volume per square foot has seen a 134.6% rise.

Although competition remained fairly sharp, discounters were able to enjoy a higher initial markup, 35% vs. 33% a year ago and a slightly increased gross margin, from 26% in 1982 to 28% last year. The increase in both figures somewhat reflect last year's success story. But, overall, gross margin has seen little to no change while initial markup has increased less than 10% in the 12-year period measured.

Annual turns were slightly down from 3.4 to 3.2. However, many chains did a large percentage of inventory buying in the last quarter which kept the numbers of annual turns down yet still allowed discounters to enjoy a profitable year.

Over the past 12 years, turns have decreased 31.9% and are down 13.5% over the last five. But, discounters are hoping the trend will begin to move in the other direction, using last year's tremendous fourth quarter as a strong base.

After
13 years of batting pitches,
George Brett is pitching bats.
Tee Ball Set
COSOM
Tap & Hit
Fun Ball
BAT & BALL
Schaper Cosom is pleased to announce the addition of another big hitter to their bat and ball line. George Brett.
During the coming season, Brett will appear on all packaging for Schaper Cosom's fun-to-use and educational collection of bats, balls and training equipment.
Brett's presence on the Schaper Cosom team will help to move the line well up in your profit rankings.
Better call your Schaper Cosom sales rep today. Because the man who hits home runs for the Kansas City Royals is ready to go to bat for you.
Schaper • Cosom
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Spring Car Care Buy-In

See Special Section, pp. 25-43

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Dolginow, His Firm Both Carlson-Bound

MINNEAPOLIS—Carlson Companies plans to acquire Dolginow's and consolidate that firm and Carlson's diverse showroom operations into a new Carlson Showrooms Inc. subsidiary that will be headed by Yale Dolginow, a veteran showroom industry executive.

Carlson's agreement in principle to acquire privately held Dolginow's and its 14 Matco specialty discount stores and three Yale's catalog showrooms calls for Yale Dolginow, owner and president of Dolginow's, to become president and chief executive officer of Carlson Showrooms.

The agreement, which is expected to be executed by the end of next month or early in April, has a number of major consequences for Carlson and the showroom industry.

- It puts Carlson into a new retail field, specialty discounting.

Dolginow said no changes are currently planned for Matco, which was remerchandised about 18 months ago as home and clothing discount stores focusing on a broad assortment of basic apparel and a tight mix of such hard goods as health and beauty aids and household items. Matcos also have a catalog desk where the Yale's book is available for customers to order from the broader mix of such hard lines as jewelry, consumer electronics, giftware, housewares/appliances and toys found in the showrooms.

Buying for Matco and Yale's will eventually be consolidated with Ardan, Carlson's 62-unit showroom chain, in the latter's Des Moines, Iowa, headquarters.

- In Dolginow, Carlson gets an experience showroom executive to oversee Ardan, and whose extensive industry contacts could eventually enable Creative Merchandising & Publishing, Carlson's catalog coordinating operation, gain members.

The consolidated Carlson Showrooms operation will involve merging Yale's and Ar-

(Continued on page 54)

Peter Harris, President, Gemco

Gemco's new Vallejo, Calif., store, featuring a combined jewelry accessory area, is the latest in a series of six preprototype units opened in the last 18 months. (DSN photo)

Leaner Gemco Plans Bow For Its Store of the Future

By IRIS S. ROSENBERG

BUENA PARK, Calif.—When it opens this fall, Gemco will have reached the goal it set out for almost two years earlier: to create its store of the future.

That event, already a year and a half in the making, follows a similarly lengthy reorganization of its top management structure and consolidation of its marketing territory—a response to disappointing earnings in the last several years.

Like its predecessors, that store will feature a supermarket and general merchandise departments in a single approximately 108,000-sq.-ft. location. And to shop there, customers will still have to buy, for $1, a (lifetime) membership card.

Among the key differences will be the creation of a more dramatic stage presence for its supermarket, intensified by the addition of a new, high-tech deli/bakery counter and snack bar; a more fashion-forward presentation of the general merchandise areas, particularly apparel and domestics, and more centralized checkout areas that will handle everything from ice cream to women's suits.

That opening, however, won't be a sudden break with the past.

"We have opened six stores in the last year and a half that reflect, progressively, a greater and greater influence of what we knew would be our prototype store," Peter Harris, president of the $2 billion chain, told *DSN*.

The most recent incarnation of that thinking process opened in Villejo in the San Francisco Bay area late last year. The final "preprototype" unit will open in Mira Mesa, Calif., next month.

Harris declined to reveal where the prototype unit—or a second one cast in its mold and also due to open before year's end—will be located. But, it will be in California.

(Following the closing of the chain's six Texas stores late last year—this, after the shuttering of the East Coast Memco division in late 1982—Harris said: "We have pulled in to become a western business on which we could focus, although, long-term it is realistic to think we'll move from this market.")

Current thinking calls for modular elements of the new design, most of which is in place in Villejo, to be taken through the other, currently 76, units of the chain.

"We'll take elements that can

(Continued on page 54)

On Coast, Gemco Is A Survivor

BUENA PARK, Calif.—Gemco is a survivor.

In its 24-year history, it has seen countless discount chains—including East Coast operations like Two Guys and Gold Circle looking to establish West Coast beachheads—break up on the shoals of its freeway-laced home markets.

Most recently, in late 1982, Target invaded its shores, taking over many of the failed Fed-Mart's locations.

But, in the last several years, Gemco has taken its lumps, following a peak in profitability in fiscal 1980. The recession took its toll, and heightened competition from drug and supermarket chains, both formidable West Coast purveyors of general merchandise, and specialty operators like Mervyn's, which has a stranglehold on key Gemco markets, prompted considerable soul-searching and reworking of marketing plans at all of Lucky Stores' divisions, including Gemco.

About 18 months ago it shuttered its 14-store East Coast Memco division opened in the

(Continued on page 54)

Countersuits Attack Suits By T.G. & Y. Over 'Gifts'

OKLAHOMA CITY—T.G. & Y.'s civil suits, charging that a number of wholesalers paid gratuities to now-dismissed buyers, have started to trigger countersuits by the vendors and former company employees, including a $1.4 million counterclaim by one ex-buyer.

The discounter has dropped cases against three of the wholesalers and possible abandonments were pending against some others at presstime. The suits involving the former buyers are in various stages of pleadings and discovery.

The discounter had filed charges in mid-November against a dozen wholesalers in the United States District court here, alleging the companies committed antitrust violations, racketeering, bribery and conspiracy to breach fiduciary duties.

T.G. & Y. wants to be released from debts owed to the wholesalers and is also asking for triple damages under the claims of Federal antitrust and racketeering violations, and unspecified punitive damages.

At least two of the vendors, Braxton Jeans, Dallas, and Andover Togs, New York, have filed multimillion dollar countersuits for actual and punitive damages and defamation of trade reputation. The discounter has filed a demurrer to Braxton's countersuit.

The other vendors currently accused by T.G. & Y. are Wear Me Apparel, Elkay Industries and Ducson Co., all of New York; Avondale Manufacturing and Skyline Ltd., both of South

(Continued on page 52)

Digest

Feb. 20, 1984

APPAREL

- **Conservative chains are** adopting more of a fashion look in their ladies' pants mix. (p. 14)

AUTOMOTIVE

- **Buyers are expecting an**other good year, with the outlook especially good in seat covers and batteries. (section, pp. 25-43)

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IN BRIEF

- **SERVICE MERCHANDISE, ONE OF THE FIRST MAJOR** retailers to report 1983 fiscal year results, recorded a 22% increase in sales to $1.458 billion and a 42% net earnings explosion to $44.9 million. The cataloger plans to open at least 15 new showrooms this year, including an invasion of Los Angeles with its first two units.

- **THE PROJECTED CONFIRMATION OF THE CHAPTER 11** plan of HRT Industries, parent of Zodys discount stores, due at presstime, may have run into a major roadblock. The International Ladies Garment Workers Union, Local 99, has filed a $23 million claim against HRT in an effort to reverse the planned relocation of Zodys' apparel buying office and warehouse from the New York area to Los Angeles. The Chapter 11 plan covers only about $127 million in creditors' claims previously filed against HRT.